

LOCAL STOCK MARKET: (JS)⁺

Stock Symbol	ECL	MDS	FOS RICH	ISP	ELITE
Current Price (\$)	6.01	7.49	4.89	31.99	5.45
Trailing EPS (\$)	0.32	0.38	0.18	0.55	0.19
P/E (times)	18.65	19.59	26.49	58.13	28.89
Projected P/E	17.84	21.80	24.43	60.39	27.33
Projected EPS (\$) [*]	0.34	0.34	0.20	0.53	0.20
Book Value per share (\$)	0.36	2.86	1.53	3.44	1.32
Price/Book Value (times)	16.81	2.62	3.20	9.31	4.12
Dividend Yield (2018 %)	13.14%	2.10%	N/A	N/A	N/A
Volumes	10,629	25,125	10,340	NIL	1,090
Recommendation	BUY	HOLD	HOLD	SELL	SELL

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

Currency	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted Average Rate	Highest	Lowest	Weighted Average Rate
USD	139.225	102.700	133.7308	141.808	103.490	135.4658
CAN	102.050	80.676	101.1874	106.000	86.314	102.3238
GBP	176.200	137.688	171.6284	181.440	164.000	173.7838
EURO	146.200	111.328	140.6645	158.760	141.000	149.9304

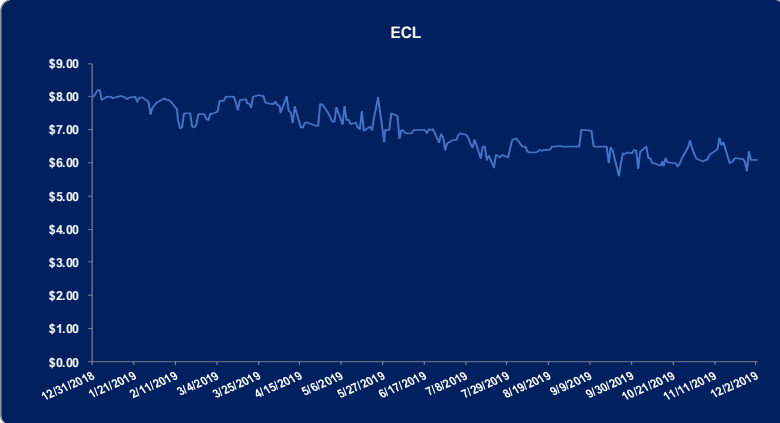
*Rates as at December 02, 2019

On November 14, 2019, the Bank of Jamaica sold US\$20 million via B-FXITT, following two consecutive intervention of a total of US\$70 million on November 12&13, 2019, to authorized dealers and Cambios to augment supply in the market.

MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (December 03, 2019) trading session. The overnight rate stood at 0.30% while the 30-day rate was 1.40%.

The US dollar fixed income market was also liquid during today's (December 03, 2019) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.



STOCK OF THE DAY: Express Catering Limited (ECL)

For the three months ended August 31, 2019:

Express Catering Limited's (ECL), for the three months ended August 31, 2019, revenues increased by 12% for the period to US\$4.54 million (Q1 2018: US\$4.06 million).

Cost of sales (COS) increased by 13% for the period to US\$1.23 million (Q1 2018: US\$1.09 million). As a result gross profit increased year-on-year for the three month period by 11%, to US\$3.31 million in Q1 2019 from US\$2.97 million in Q1 2018.

Total expenses increased by 13% for the period in review to US\$2.21 million in Q1 2019, up from US\$1.94 million in Q1 2018. This increase was associated with a 14% increase in administrative expenses to US\$2.04 million from US\$1.79 million in 2018. According to the company, "a total of US\$2.05 million in aggregate was expended on Administrative and promotional expenses at a rate of 45.18% of revenue compared to US\$1.80 million a rate 44.41% in the prior year. Maintenance rate increase in effect since October 2018 is responsible for the comparative change." Depreciation and Amortization saw an 11% increase to US\$155,291 compared to US\$140,442 for 2018. Promotion expenses also rose 12% for the quarter from US\$9,746 to US\$10,918.

Consequently, operating profit increased by 8% to US\$1.11 million (Q1 2018: US\$ 1.03 million).

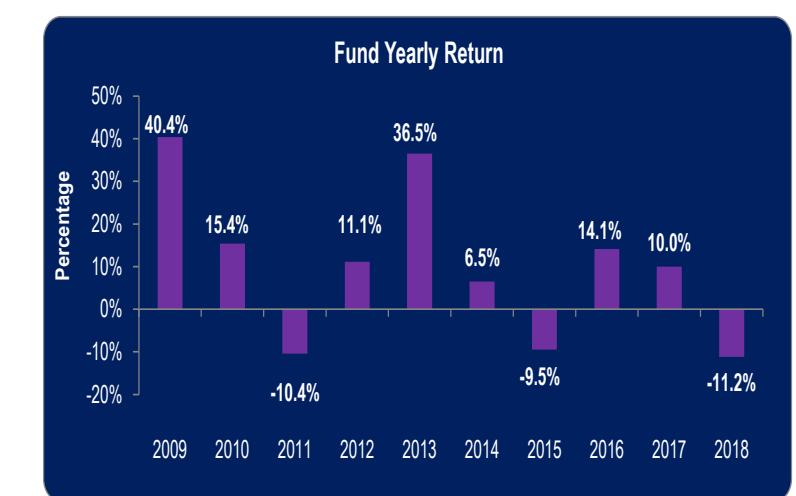
Finance cost of US\$83,706 (2018: US\$84,555) was booked for the period. Foreign exchange gain of US\$12,636 was also booked for the quarter compared to a foreign exchange loss of US\$4,398 booked the prior corresponding period. This resulted in total comprehensive profit for the year increasing by 11% from US\$937,891 in 2018 to US\$1.04 million.

OVER THE COUNTER FUNDS (CI FUNDS)

Sentry U.S. Growth and Income Corporate Class

This fund invests primarily in equity and equity-related securities of companies in the United States.

The fund has a 3 year return of 8.7% and a 5 year return of 4.3%. The Fund also has a 10 year return of 8.3%. Rates are as at October 31, 2019.



⁺Prices are as at December 03, 2019 *Projections are made to the company's financial year end

U.S: Trump Sees No Deadline for China Deal as Trade Risks Roar

“President Donald Trump signaled he would be willing to wait for another year before striking a trade agreement with China, casting doubt on the likelihood of a phase-one accord within weeks between Washington and Beijing. “I have no deadline,” he told reporters Tuesday in London when asked if he wanted an agreement by year end. He said later in a meeting with Canadian Prime Minister Justin Trudeau that he won’t sign a deal unless it’s a “good deal.” “If it’s not going to be a good deal, I’m not signing a deal,” he said. “It can’t be an even deal. If it’s an even deal, it’s no good.” Stocks tumbled in Europe and the U.S. as Trump’s comments indicated no urgency to reach a deal by Dec. 15, which U.S. Commerce Secretary Wilbur Ross on Monday called a “logical deadline.” The Trump administration has threatened to impose tariffs on more Chinese imports starting that day.”

<https://www.bloomberg.com/news/articles/2019-12-03/trump-says-no-deadline-for-china-deal-may-come-after-election?srnd=premium-asia>

Europe: Moody’s Cuts Outlook for U.K. Banks, Citing Brexit Concern

“British banks have worked hard to bolster their finances since the global crash a decade ago, but Brexit might be about to undo their good work, according to a warning from Moody’s Investors Service. The ratings firm cut its outlook on British lenders to negative from stable, citing factors including the “prolonged uncertainty over Brexit” and its impact on economic growth over the next two years. “The operating environment for U.K. banks is deteriorating, weighing on their asset quality and profitability,” Moody’s said in a report published Tuesday. “Our base case is that the U.K. and the European Union will ultimately reach a free-trade agreement, but it is increasingly unlikely that any such deal will substantially mitigate the negative economic impact of Brexit.” Moody’s said the worsening economic environment more than outweighs positive trends, such as the lenders’ strong capital position and the wind-down of costs linked to the payment protection insurance scandal.”

<https://www.bloomberg.com/news/articles/2019-12-03/moody-s-warns-on-outlook-for-u-k-banks-citing-brexit-concern?srnd=premium-europe>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at December 02, 2019

	Percentage (%)
Yield to Maturity	5.22
Weighted Average Coupon	5.427
Current Yield	4.09

The platinum portfolio has an effective maturity of 13.08 years and duration of 4.59 years.

STRUCTURED PRODUCT

Mayberry Platinum

The Mayberry Platinum portfolio is ideal for investors seeking a short to medium-term investment with returns denominated in hard currency. The portfolio comprises Investment Grade corporate and sovereign bonds, which provide strong yield and performance. The primary objective of this product is to pro-vide our clients with income as well as capital appreciation. The Platinum portfolio enables the client to take full advantage of a diversified bond portfolio and is ideal for per-sons who do not have the time to actively manage their own portfolio.

DISCLAIMER

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MIL Ratings System:

BUY: We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

HOLD: We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

SELL: We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

SPECULATIVE BUY: We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com



www.mayberryinv.com

OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

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